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Trade directory of Central America and the West Indies. Miscellaneous series, no. 22. (Washington: Supt. Docs. 1915. Pp. 256.)

Year Book of the Merchants' Association of New York, 1915. (New York. 1915. Pp. 240.)

Accounting, Business Methods, Investments and the Exchanges

Sound Investing. By PAUL CLAY. (New York: Moody's Magazine and Book Company. 1915. Pp. 371. \$2.)

Investments and Speculation. By LOUIS GUENTHER. (Chicago: LaSalle Extension University. 1916. Pp. 281.)

The two books under review are among the latest additions to that great body of popular financial literature which has been almost wholly the growth of the last fifteen years. While the supply of "stupid people with stupid money" shows no sign of failing, there is at least hope that first aid education for investors will in time have some influence. Indeed, bond dealers are beginning to argue seriously that one reason for the increase in their business and the alleged relative falling off in savings bank deposits lies in the spread of investment education. However that may be, there is no lack today as there was a generation ago of popular, accessible manuals for the "small" investor.

Much of the new literature on investment and stock market subjects is hasty, temporary, weak, and unscientific. But as most of it lays heavy stress upon the cautions and precautions which investors should observe, the total effect can hardly fail to be both educational and beneficial. Few indeed are the books of this character which would not save thousands of the unsophisticated from serious losses, if the facts presented were both perused and acted upon. Whether from this early crop of ephemeral and sketchy books and booklets will arise a really serious and important work on the principles of investment remains to be seen. The reviewer can not but feel that with the work recently done in such closely allied and collateral fields as are represented by Ripley's *Railroads: Finance and Organization* and Dewing's *Corporate Promotions and Reorganizations*, an equally careful student will soon take up in the same way the subject, perhaps more difficult because broader and more vague, of investments in general.

Perhaps the main weakness of the popular books on investment is that their treatment is not severe and fundamental enough to keep them "up to date" for more than a few months. Several

chapters of Mr. Clay's book already need revision. He can hardly be held accountable for the fact that several of his frequent lists of securities with their "yields" need radical amendment; such is the penalty of writing in terms of current or timely treatment. It is all very well to sprinkle a book with suggested investments and the net income which they afford, but only a historical method of treatment will prevent these data from quickly becoming useless.

Sound Investing is arranged on an ingenious plan. First there is a 49-page section explaining the uses of the book. Then 150 pages are devoted to what on the whole is a sane and, for its purpose, almost adequate description and critique of the different types of securities, strangely omitting, however, all reference to real estate mortgages and bonds based upon them. The third section consists of about 60 pages devoted to an analysis of the individual needs and means of filling them, of all the leading classes of investors, ranging from laborers to universities. The treatment is too short to be quite satisfactory, but at least is suggestive. Perhaps the most valuable section of the book is the fourth and last in which sensible suggestions are made as to the choice of a bond house, how and when to buy and sell, the anatomy of a railroad report, a short cut for obtaining bond "yields," and the feasibility of successful speculation. Says Mr. Clay: "It is feasible . . . only to men possessing extremely rare qualities of mind and will; and to ordinary mortals it is about as easy to succeed in . . . speculation as it is to become a Homer, a Virgil or a Shakespeare." Mr. Clay has crowded a great amount of information into a small book. It is simple and for the most part sensible.

Mr. Guenther's book is improved by several interesting charts and illustrations. To cover the entire subject of "investments and speculation" in 281 pages of moderate size and very large type, is of course impossible. Mr. Guenther is pungent, pointed, and suggestive rather than in any sense complete or thorough. Aside from two pages devoted to amortization and sinking funds and a scattered paragraph or two on income yield, he leaves the mathematical and technical phases of his subject severely alone. His treatment of such a vastly important branch of securities as municipal bonds is far too brief. He hardly mentions a growing and very important class of investments, public utility holding company securities. Mr. Clay apparently does not mention them

at all, a strange omission indeed. Mr. Guenther affords an excellent account, considering the space at his disposal, of farm loans and mortgages, city real estate, and land booms. Neither of the writers touches upon that large and important class of securities, savings and loan shares. A slight but concrete feature of Mr. Guenther's book is the inclusion of a complete list of railroad guaranteed stocks.

In places the arrangement of material in *Investments and Speculation* is almost grotesquely illogical. For instance, three chapters on Pools and Manipulation, the Promoter's Place in Finance, and the Get-Rich-Quick-Lure are placed between a chapter on Panics and one on Business Barometers. Another even more curious juxtaposition is the placing of a chapter on the Mystery of a Balance Sheet between those on Efforts to Prevent Speculation and the Nature of the Exchanges.

Mr. Guenther has edited for some years a financial publication which excels in the exposure of worthless, stock jobbing enterprises. As might be expected his chapters on these subjects make interesting reading.

ALBERT W. ATWOOD.

Scientific Management and Labor. By ROBERT FRANKLIN HOXIE.
(New York: D. Appleton and Company. 1915. Pp. x,
302. \$1.50.)

This book "is based upon an investigation of scientific management in its relations to labor," made by the writer and certain collaborators for the United States Commission on Industrial Relations. The greater part of the volume is taken up with the appendices, exhibiting in the main the mechanism of the investigation, which includes "The labor claims of scientific management . . . , " "The trade union objections to scientific management," "Vital points at issue between scientific management and labor . . ." and the voluminous "Questionnaire" (105 pages) sent to industrial establishments to collect data in addition to that obtained by personal visit. Little use was made of the "Trade union objections" or of the "Vital points at issue" in the investigation; and "designated" scientific management shops were tested by the "Labor claims of scientific management according to Mr. Frederick W. Taylor." This document is the distinctive organon of the investigation; scientific management is not compared (except incidentally) with the practice in other shops, but with these "claims."